



Consumer Federation of America

1620 I Street, N.W., Suite 200 • Washington, DC 20006

**Consumers  
Union**

June 26, 2007

Dear Representative:

Last week, an earthquake shook the energy policy landscape for American consumers. For the first time in twenty years, one house of Congress voted to increase the fuel economy standard for light duty vehicles (cars, pick-ups, SUVs and minivans). On a voice vote, the Senate passed legislation that would raise the standard for vehicles from 25 miles per gallon (mpg) to 35 mpg by 2020. Similar “10 in 10” legislation has been introduced in the House (H.R. 1506) by Representatives Markey (D-MA) and Platts (R-PA). We urge you to cosponsor this legislation and work vigorously to ensure that it is enacted quickly.

Two years ago, President Bush declared that our national oil addiction is a serious problem. Americans are more than ready to reduce their dependence on oil. The seismic forces that have created this shift in the energy policy terrain are the concerns that the public and lawmakers have about: **(1) high gasoline prices, (2) national security, and (3) environmental harm.**

**(1) Consumers are being clobbered by rising gasoline prices.** Research by the Consumer Federation of America (CFA) shows that in the past five years, average household spending has increased by over \$1,000. The burden on rural Americans is even greater – a \$1,300 increase – because they tend to drive older, less fuel efficient vehicles longer distances. The indirect effects on the economy are equally profound, draining the economy of resources – we are spending \$500,000 a minute for oil imports – and leaving Americans vulnerable to oil price shocks.

**(2) The United States’ increasing dependence on foreign oil makes us more vulnerable to the political and economic instabilities of other nations.** Since 1985, when the Congress first began voting down further increases in fuel economy, our oil imports have tripled. We now import almost two-thirds of the oil and petroleum products we consume. As the U.S. accounts for 25 percent of the world’s oil consumption but possesses only 3 percent of the world’s proven reserves, the problem will only get worse if we do not reduce consumption.

**(3) Global warming has become a major economic, health and environmental threat.** Gasoline consumption is the single largest source of greenhouse gases in the United States.

Polling by the CFA and others shows that the public recognizes these concerns:

92% are concerned about future oil and gasoline prices;  
88% are concerned about the reliability of our oil supplies;

86% fear that that our imports fund terrorism;  
86% fear that our imports fund unfriendly governments;  
64% believe there is enough evidence on global warming to take some action, and  
82% support mandating increases in motor vehicle fuel economy.

Interestingly, according to CFA's research, support for increases in fuel economy is stronger in the Upper Midwest (88%), which is the nation's prime auto producing region. CFA's economic analysis shows that increasing fuel economy to 35 mpg passes both a consumer pocketbook test and a national cost-benefit test with flying colors. (See: [http://www.consumerfed.org/pdfs/CFA\\_Cost-Benefit\\_Analysis\\_of\\_10\\_in\\_10\\_June\\_07.pdf](http://www.consumerfed.org/pdfs/CFA_Cost-Benefit_Analysis_of_10_in_10_June_07.pdf))

- **For consumers, increased fuel economy standards pay for themselves.** Any increase in the cost of the vehicle is more than offset by the reduction in spending on gasoline.
- **Achieving "10 in 10" will save the nation about 100 billion gallons of gasoline, reduce greenhouse gas emission by over 1 billion tons, and lower imports by fifteen percent by 2020.** All of this can be done with investments of about \$100 billion, making the cost of oil saved about \$1 per gallon.

Increasing fuel economy alone cannot solve our nation's energy problems, but it is the "sweet spot" in energy policy that addresses consumer, economic, national security and environmental concerns simultaneously. It is one of the most important first steps the nation can take to show that we are serious about ending our dependence on oil.

After 20 years of inaction, it is long past time to take decisive steps toward improving fuel economy standards. Opponents of meaningful increases in fuel economy standards must no longer be allowed to put off House debate on this issue. We urge you to cosponsor the Markey-Platts legislation and urge the House leadership to act on it immediately.

Sincerely,



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